

Town of Frederick Board of Trustees



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AM 2010-079

To Consider a Request from EnCana Oil to Grant a Waiver from State Rule 318A.a(1) to Drill Within a Designated Drilling Window

Agenda Date: August 24, 2010

Attachments

- a. Rinn Valley Filing 1 Final Plat 
- b. Request from EnCana dated May 20, 2010

Fiscal Note: None noted or provided Fiscal note


Administrative Services Director

Submitted by: Jennifer Simmons 
Planning Director

Approved for Presentation: 
Town Administrator

AV Use Anticipated Projector x Laptop n/a

Certification of Board Approval:

Town Clerk

Date

Summary Statement:

The Town of Frederick owns Outlot D of Rinn Valley Ranch where EnCana is proposing to drill six new wells. The wells are outside the designated drilling window, therefore the property owner must grant a waiver from State Rule 318A.a(1) prior to EnCana being able to submit the permit application to the State.

Detail of Issue/Request:

In May 2002, the final plat for Rinn Valley Ranch Filing 1 (see attached) was recorded with the County Clerk and Recorder. As a result of recording the plat, Outlot D, located at the northeast corner of the property was dedicated to the Town. The plat shows a future gas well within Outlot D.

In May, Sheila Frazier, Land Negotiator with EnCana, approached the Town to request that a waiver be granted from State Rule 318A.a(1). The rule requires that the wells be drilled within the designated drilling window (a 400' x 400' square with the center at the center of a quarter-quarter section). EnCana is proposing to drill six new gas wells within Outlot D. EnCana is asking the Town to agree to the waiver because the Town owns Outlot D.

Neighborhood Meeting: EnCana representatives held a neighborhood meeting on Monday, June 28 at the Frederick Town Hall. Two residents of Rinn Valley Ranch called EnCana with questions prior to the meeting. Approximately five residents of Rinn Valley Ranch attended. Questions asked largely concerned the drilling of the wells. Concerns were raised about drilling during the summer and over holidays. One resident also raised a concern with the existing facilities and an odor that is apparent when walking near the facilities.

Legal/Political Considerations:

We should consent to the waiver only if EnCana agrees to revise the existing Surface Use Agreement with the following commitments:

1. No greater concentration of wells will be proposed at this location.
2. Upgraded fencing to protect the visual effect of the six well sites will be provided.
3. Noise mitigation during drilling will be performed.
4. The streets will be maintained free of debris daily and any damage to CR 20.5 will be mitigated
5. Assure that equal storage volume of the detention area is maintained throughout and following the drilling process.
6. No drilling will be performed from noon before a holiday through the holiday until 8 AM the day after the holiday.

Alternatives/Options:

The Board of Trustees may choose from the following options or recommend another alternative:

- Agree to sign the waiver request.
- Agree to sign the waiver request and require the existing Surface Use Agreement be amended to address the commitments outlined by Legal Counsel.
- Decline to sign the waiver request.
- Decline to sign the waiver request until the existing Surface Use Agreement is amended with commitments as outlined by Legal Counsel.

Financial Considerations:

Not Applicable.

Staff Recommendation:

Staff recommends agreeing to sign the waiver only if EnCana agrees to make the commitments outlined by Legal Counsel.